

Department of Administration

Agency Overview - Highlights

August 2015

Prepared by the Montana Legislative Services Division
For the State Administration and Veterans' Affairs Interim Committee

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Website: <http://doa.mt.gov/>

Responsibilities:

The Department of Administration provides support services for state agencies in the following areas:

- Accounting
- Social Security
- Local government financial reporting
- State treasury
- State-bonded indebtedness
- Capitol complex grounds and building maintenance and security
- Document printing and processing
- Procurement and property
- Information & communication systems

- Human resources
- Labor relations
- Risk management
- Tort Claims Act administration
- Long-range building
- State employee group benefits
- Workers compensation
- Continuity of government, emergency management and homeland security

Also provides state financial institution oversight and regulation for the private sector.

Programs, FTE, and Budgeted Funding - 2017 Biennium:

Source: Legislative Fiscal Division

Programs	FTE	General Fund	State Special	Federal Revenue	Proprietary	Total Funding	% General Fund
Director's Office	4.5	\$1,104,202	\$0	\$24,990	\$0	\$1,129,192	98%
Gov-Elect Program	0	\$50,000	\$0			\$50,000	100%
Financial Services Div	18.67	\$3,170,003	\$0	\$2,854	\$110,703	\$3,283,560	97%
Architecture and Engineering Div	16.5	\$0	\$4,110,824	\$0	\$0	\$4,110,824	0%
General Services Div	12.25	\$5,025,916	\$320,652	\$0	\$0	\$5,346,568	94%
State Information Technology Div	6.09	\$756,118	\$642,614	\$1,626,415	\$0	\$3,025,147	25%

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Programs	FTE	General Fund	State Special	Federal Revenue	Proprietary	Total Funding	% General Fund
Banking and Financial Div	35.8	\$0	\$8,600,463	\$0	\$0	\$8,600,463	0%
Health Care and Benefits Div	22.87	\$0	\$0	\$0	\$9,056,118	\$9,056,118	0%
State Human Resources Div	14.25	\$3,411,607	\$0	\$0	\$0	\$3,411,607	100%
Risk Management and Tort Defense Div	17	\$0	\$0	\$0	\$35,589,455	\$35,589,455	0%
Agency Total	147.93	\$13,517,846	\$13,674,553	\$1,629,269	\$44,756,276	\$73,577,944	18%

Note: Programs of administratively attached entities are not included

Budget Highlights:

- The department's budget appropriations in HB 2 increased 12% for the biennium, mostly because of an increase in federal funding and funding from the MT Lottery.
- Only about 5.1% of the agency's budget is appropriated in HB 2. The remaining amounts are provided through statutory appropriations of non-budgeted proprietary funds.
- State special revenues increased due to increased personal services costs within the Banking and Financial Institutions Division.
- Federal special revenue increased for the FirstNet planning grant provided to the State Information Technology Services Division.
- The legislature increased insurance rates for general liability insurance to provide funding for reserves as recommended by the plan's actuary.
- The legislature provided an increase of \$2.3 million for State Information Technology Services Division proprietary rates.

Statutory Advisory Councils:

- Capitol Complex Advisory Council
- Information Technology Board
- 911 Advisory Council
- State Employee Groups Benefits Advisory Council

Compiled by Sheri Scurr, Research Analyst
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Statutorily Required Reports:

- Capitol Complex Advisory Council report
- Employee Incentive Program report
- Information Technology Board report

Administratively Attached Agencies - Oversight by SAVA:

- Board of Examiners
- Burial Preservation Board
- Information Technology Board
- Lottery Commission
- Public Employees' Retirement Board
- State Board of County Printing
- State Interoperability Governing Board
- Teachers' Retirement System Board

Administratively Attached Agencies - Oversight by Other Interim Committees:

- Public Defender Commission (*Law and Justice Interim Committee*)
- State Banking Board (*Economic Affairs Interim Committee**)
- State Tax Appeal Board (*Revenue and Transportation Interim Committee*)
- State Workers' Compensation Insurance Fund Board (*Economic Affairs Interim Committee*)

**The Economic Affairs Interim Committee also has statutory oversight of the Department's Division of Banking and Financial Institutions*

Most Recent Legislative Audits:

- Performance audit 14P-04 - Bankcard Transaction Fees and Contract Management - June 2015 (*Economic Affairs Interim Committee's jurisdiction*)
- Comprehensive Claim Administration Audit of State of Montana Medical Plans by Cigna - April 2014 - Audit Period: January 1, 2013 to December 31, 2013. Recommendations were:
 - DOA should discuss with Cigna an approach to conducting further focused analysis of the errors identified through the random sample audit relating to coordination of benefits to achieve correct processing upon initial review, rather than through adjustments required post-payment to correct errors.
 - DOA should discuss with Cigna whether use of the CMS Correct Coding initiative edits would result in further cost savings for the State.
 - The Administrative Service Agreement should be amended to require a higher level of required performance (at least 99%) for claim accuracy.
 - The state should continue to conduct sequential audits to ensure performance guarantees are met.

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Agency Bills That Passed - 2015 Session:

- HB 54 - Revise outdated references to social security administration
- HB 65 - State treasurer to receive local government fees for audits and reviews
- HB 66 - Revise banking laws related to documents filed with the department
- HB 121 - Extend Bond Validating Act
- HB 125 - Revise term related to governmental accounting standards
- HB 126 - Revise compensation for Burial Preservation Board Commissioners
- SB 53 - Revise credit union laws regarding directors and operations
- SB 75 - Revise laws related to nondepository lenders
- SB 94 - Revise laws related to central stores warehouse
- SB 98 - Revise Montana mortgage laws

Agency Bills That Failed - 2015 Session:

- None

Other Bills Affecting the Department - 2015 Session:

- HB 10 - Appropriated long-range information technology funding
- HB 123 - Revised public records laws.
- HB 211 - Required the POW/MIA flag be displayed with the flag of the United States
- HB 296 - Required DOA to develop manual and help coordinate certain public safety communications
- HB 318 - Required the state health insurance plan cover certain therapies for children with down syndrome
- HB 354 - Established a loss mitigation special revenue account
- HB 403 - Long-range building appropriations
- HB 464 - Established energy efficiency high performance program for existing buildings
- HB 564 - Revised social security laws
- SB 144 - Revised laws to consolidate procurement accounts
- SB 220 - Repealed the electronic government advisory board and transfer duties
- SB 418 - Authorizing transfers to implement provisions of House Bill 2
- HJR 29 - Study membership-based health services to determine insurance, cost impacts

SAVA's Areas of Interest During 2013-2014 Interim:

- None

Hot Topics of 2015 Session:

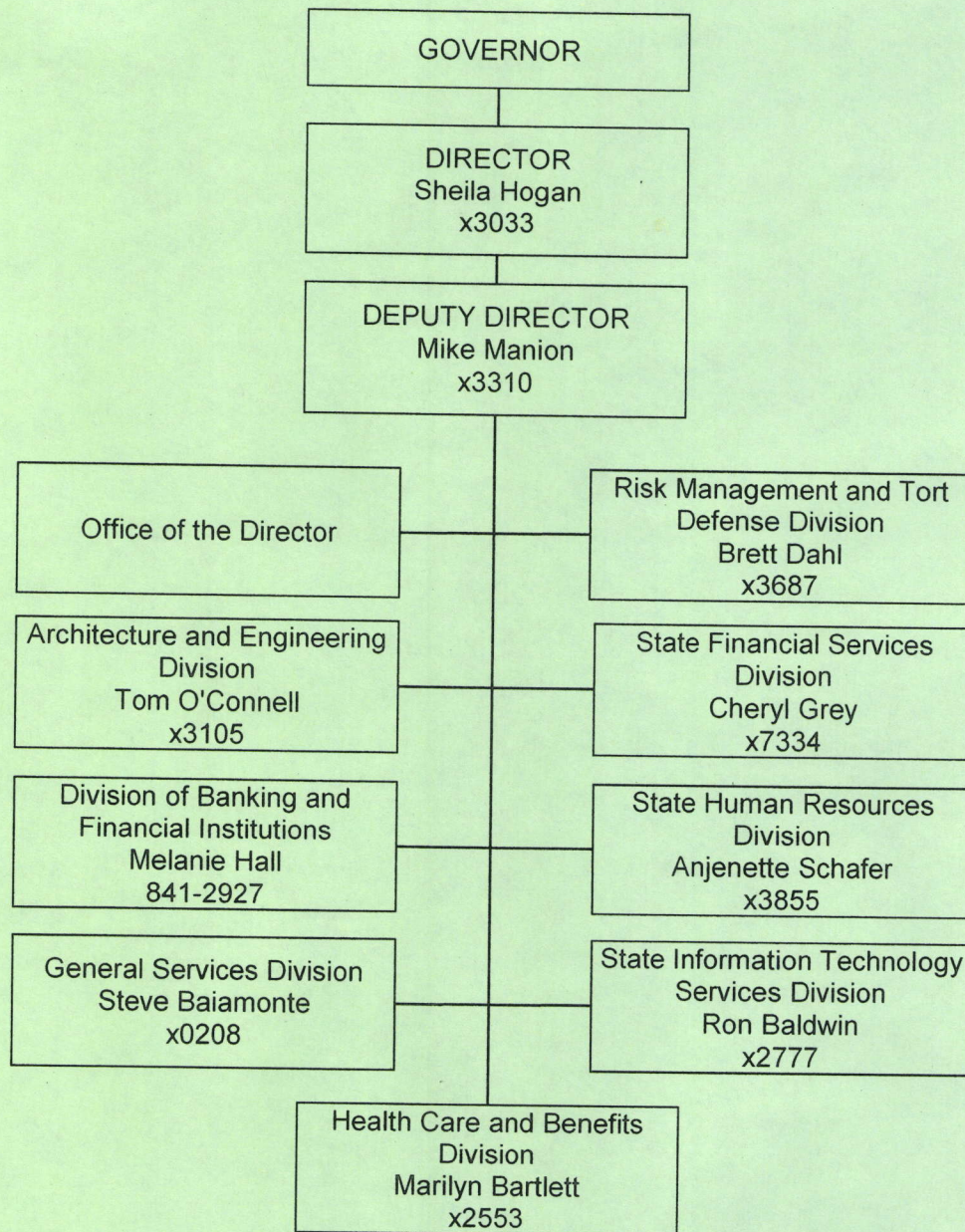
- State employee pay plans

ATTACHMENT

DOA Organizational Chart, Directory

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Department of Administration Organizational Structure
August 2015



Boards, commissions, and councils allocated to the department for administrative purposes:

Boards

Board of County Printing
Board of Examiners
Burial Preservation Board
Information Technology Board
Montana Tax Appeal Board
Public Employees' Retirement Board
State Banking Board
State Compensation Insurance Fund Board
Statewide Interoperability Governing Board
Teachers' Retirement Board

Commissions

Public Defender Commission
State Lottery Commission

Councils

9-1-1 Advisory Council
Capitol Complex Advisory Council
Montana Information Security Advisory Council
State Employee Group Benefits Advisory Council